

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6899

BILL NUMBER: HB 1117

NOTE PREPARED: Jan 2, 2012

BILL AMENDED:

SUBJECT: Regional Water, Sewage, or Waste Districts.

FIRST AUTHOR: Rep. Wolkins

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires notice and a hearing before a petition may be filed to establish a regional water, sewage, or solid waste district. It establishes requirements for appointment to the board of trustees of a district.

The bill authorizes a property owner to apply for two 5-year extensions to an exemption from connecting to a district's sewer system. The bill provides that a district may not require a property owner to connect to the district's sewer under certain conditions.

The bill establishes a procedure by which a ratepayer may object to initial rates and charges established by a district. It requires a local health department to notify an applicant for a residential septic system permit of the existence of a district. The bill also provides that a homeowner may include in a residential sales disclosure form information relating to a district.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Public Hearing Before Establishing a Regional Water, Sewage, or Solid Waste District:* Representatives of eligible entities (counties, cities, and towns) would have to provide notice and a public hearing before a petition may be filed to establish a district. Any impact will depend upon local action.

Objection to Initial Rates and Charges by Ratepayers: This bill provides a procedure for ratepayers to object to the initial rates and charges of the district. If the lesser of 50 or 10% of the ratepayers file a petition, then the district authority must provide a public hearing and provide notice of the hearing by certified mail and by publishing the notice in a newspaper. Any increase in expenses will depend upon the extent that public hearings must be held by districts according to the provisions of this bill.

Notifying Residential Septic System Permit Applicants about the Existence of Districts: The bill requires a local health department to notify an applicant for a residential septic system permit of the existence of a regional sewage district that could provide sewer service to the property. This provision should have no fiscal impact.

Explanation of Local Revenues: *Connecting to a Sewer System.* This bill provides that a district may not require property owners to connect to a sewer system if the property is located on at least 25 acres, the owner can demonstrate the availability of at least two areas on the property for the collection and treatment of sewage, and the waste stream from the property is limited to domestic sewage from a residence or business.

The bill also provides that property owners may apply for two five-year extensions of a current statutory exemption from connecting to a district's sewer system.

These provisions could decrease the number of property owners who connect to a sewer system, which would reduce the amount of revenue generated for the sewer district. The impact will depend upon the number of property owners who would qualify.

State Agencies Affected:

Local Agencies Affected: Regional water, sewage, or waste districts; Local health departments.

Information Sources:

Fiscal Analyst: Jessica Harmon, 317-232-9854.